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AIT TAIPEI PRIORITY 3121

INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE PRIORITY

S E C R E T STATE 109924

E.O. 12958: DECL: 10/14/2033 TAGS: <u>PARM MTCRE PREL TW IR</u>

SUBJECT: IRANIAN BALLISTIC MISSILE PROGRAM RECEIVES TESTING EQUIPMENT FROM A TAIWAN FIRM (S)

REF: STATE 70009

Classified By: ISN/MTR DIRECTOR PAM DURHAM, REASON 1.4 (C).

- $\P1$. (U) This is an action request. AIT Taipei, please see paragraph 4.
- 12. (S) Background: In June 2008, the U.S. shared with Taiwan authorities information that the Taiwan-based company Gotech Testing Machine Incorporated was working to sell testing equipment to Iran's liquid propellant missile developer, Shahid Hemmat Industrial Group (SHIG), an entity designated under United Nations Security Council Resolution (UNSCR) 1737 (Reftel). This transaction was being facilitated by Gotech's representative in Iran, Farvardin Tech Company, which may have been working with Gotech to route this sale through intermediaries in third countries to circumvent Taiwan's export controls.
- ¶3. (S) Since our June 2008 discussions, we have learned that Gotech transferred a temperature and humidity tester to SHIG in March 2008. Although not controlled by the Missile Technology Control Regime (MTCR), the temperature and humidity tester exported to SHIG could be used to support environmental testing of missile components. We want to provide this information to Taiwan authorities to support their ongoing investigation into Gotech's assistance to Iran and to help prevent Gotech from providing further assistance to UNSCR-designated entities in Iran. In light of Gotech's apparent efforts to evade Taiwan's export controls, we also want to urge Taiwan to consider initiating enforcement actions against this firm.
- 14. (S) Action Request: Request AIT Taipei approach appropriate officials to deliver talking points/non-paper in paragraph 5 below and report response. Talking points also may be provided as a non-paper.
- 15. (S) Begin talking points/non-paper:

(SECRET REL TAIWAN)

- -- In June 2008, the U.S. alerted you that Taiwan's Gotech Testing Machine Incorporated was working to sell testing equipment to Iran's liquid propellant missile developer, Shahid Hemmat Industrial Group (SHIG), an entity designated under United Nations Security Council Resolution (UNSCR) 11737.
- -- You will recall that this transaction was being facilitated by Gotech's representative in Iran, Farvardin Tech Company, and that we understood that Gotech and Farvardin Tech Company may have been working to route this sale through intermediaries in third countries to circumvent your export controls.
- -- Since we brought this case to your attention in June, we have learned that SHIG, working through the Iranian cover company Sabalan Company, received a temperature and humidity tester from Gotech in March 2008.
- -- Although not controlled by the Missile Technology Control Regime (MTCR), the temperature and humidity tester exported

to SHIG could be used to support environmental testing of missile components.

- -- We hope this information is useful in your ongoing investigation into this transaction and we would appreciate an update on the status of this case at the earliest possible time.
- -- Given that these firms appear to have taken measures to evade your export control restrictions on sales to Iran, we urge you to consider initiating enforcement actions against Gotech.
- -- We look forward to future cooperation on export control and nonproliferation issues.

End talking points/non-paper

- $\P6.$ (U) Washington POC is ISN/MTR James Mayes (Phone: 202-647-3185). Please slug any reporting on this issue for ISN/MTR.
- $\underline{\mbox{1}} 7.$ (U) A word version file of this document will be posted at www.state.sgov.gov/demarche. RICE

NNNN

End Cable Text